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The President's Daily Brief

January 28, 1974

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THE PRESIDENT'S DAILY BRIEF

January 28, 1974

PRINCIPAL DEVELOPMENTS

The recent shellings by Cambodian Communists have increased apprehension in Phnom Penh, but a general exodus from the city does not seem imminent. *(Page 1)*

Egyptian Foreign Minister Fahmi's visit to Moscow helped to ease tensions and resulted in some concessions on military aid to Egypt. *(Page 2)*

The cease-fire has been broken on the Egyptian and Syrian fronts, but Israel has announced that disengagement in the Sinai will begin sooner than scheduled. *(Page 3)*

North Korea has denounced the South's proposal for a nonaggression pact but later suggested that the two sides' coordinating committee meet again on January 30. *(Page 4)*

President Suharto is planning to announce major changes in the Indonesian Government. *(Page 5)*

The resignation of eight Peronist congressmen in protest against tough new antiterrorist legislation is another blow to Peron's splintering movement. *(Page 6)*

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CAMBODIA

Recent shellings by the Khmer Communists have increased war-weariness and apprehension in Phnom Penh, but a general exodus from the city does not seem imminent. Most of the estimated 10,000 families that streamed from the hard-hit southwestern quarter into the heart of the capital on Saturday have now returned to their homes. Government authorities, meanwhile, are instituting tighter population control measures to try to prevent a recurrence of panic.

Communist gunners south of Phnom Penh in the vicinity of the Prek Thnaot River are still within range of the capital, and their shelling of the southwestern sector of the city resumed early this morning. The Communist high command in recent intercepts has encouraged continued artillery attacks and has called on insurgent units around Phnom Penh to seek out and exploit gaps in the city's outlying defenses.

There was little significant ground fighting in the Phnom Penh region over the weekend. Government forces made only limited progress in attempting to drive the Communists away from Phnom Penh's southwestern defense line. Cambodian Army operations in this sector have been hampered by a lack of cooperation and coordination among local commanders.

On the political front, Prince Sihanouk has concluded his brief visit to North Vietnam. Before leaving Hanoi on January 26, Sihanouk again publicly ruled out any negotiations with the Lon Nol government and the formation of a coalition government. He also reiterated that diplomatic relations could be established between his "government" and the US once Washington ceases to "interfere" in Cambodian affairs and terminates all forms of aid to Phnom Penh.

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EGYPT-USSR

Egyptian Foreign Minister Fahmi's visit to the Soviet Union earlier this month resulted in a lessening of tensions between the two countries and some military aid concessions for Cairo

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The Soviets agreed to fulfill contracts for military shipments signed before the outbreak of the October war, and also to send a delegation to Cairo in the near future to negotiate "less onerous" payment terms. No new military aid agreements were discussed. These arrangements appear to be a compromise between Egyptian efforts to have military debt payments postponed and Moscow's demands for full payment.

Both sides, in addition, agreed to the need for more flexibility in their relations, and Egypt pledged to expand economic and cultural cooperation with Moscow. This cooperation, however, will apparently fall short of giving the Soviet Union the sort of special military privileges it had enjoyed in the past.

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MIDDLE EAST

The calm on the Egyptian front was broken yesterday by two hours of sporadic artillery fire. Shooting started in Syria on Saturday as Israeli engineers worked to strengthen their positions. It resumed again on Sunday.

Jerusalem, nonetheless, has announced that, while its forces are pulling back from the west bank, other Israeli forces in the Sinai, south of the Egyptian Third Army, will begin to withdraw now. Israeli troops in the latter area had been scheduled to withdraw at a later stage. They are being pulled back now because the Egyptians refuse to thin out the Third Army until the Israeli forces facing it begin to withdraw.

Israeli troops withdrawing from the west bank are said to be destroying Egyptian missile sites, despite an order by Chief of Staff Elazar to leave all military and civilian installations intact.

The Egyptians, for their part, may have begun to demobilize some of their troops. [redacted] 25X1

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An Egyptian military spokesman has announced that the Cairo-Suez road will be reopened to civilian traffic on Tuesday. Initially, only government employees, journalists, and other sanctioned groups will be allowed to use the road. Individuals who have valid residence cards, issued by Suez district, will be allowed to use the road beginning February 5.

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KOREA

Pyongyang has denounced Seoul's January 18 proposal for a nonaggression pact, claiming that it could only perpetuate the country's division. A party daily editorial on January 26 accused Seoul of making the offer simply to justify its rejection of Pyongyang's long-standing formula to settle the problem, which includes withdrawal of all US forces, arms limitation, and a peace treaty.

The editorial did not completely close the door on Seoul's offer, however, and, in a separate move, Pyongyang proposed that the vice-chairmen of the North-South Coordinating Committee meet on January 30. The North will probably use the meeting for further denunciations of Seoul's proposal but will also probe for indications that it signals a softening of the South's opposition to US withdrawal, ending the UN command, and a formal peace treaty.

Pyongyang's strong reaction reflects determination to prevent Seoul from gaining the initiative in their on-going dialogue. Pyongyang also wants to thwart any attempt by Seoul to use progress in the talks to divert attention from its pressing domestic problems.

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INDONESIA

President Suharto is planning to announce soon major changes in his government:

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--Dissolution of the national security command which has been an important element in the power base of General Sumitro. Suharto's closest personal adviser, General Ali Murtopo, has worked assiduously to blame the recent violence on his rival Sumitro.

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--Steps to cleanse the presidential household of its image of corruption and ostentatious living. 25X1
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Such changes would be a victory for Suharto's closest advisers [redacted] 25X1
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ARGENTINA

The resignation of eight Peronist congressmen in protest against tough new antiterrorist legislation is another blow to President Peron's splintered movement.

The controversial law enacted on Friday gives Peron broad powers to combat subversion, but left-wing Peronists and opposition political parties charge that it will enable the government to use repressive measures indiscriminately to stifle opponents. When the eight deputies met with Peron to express their opposition to the measure, they were curtly informed that they could leave the party if they did not support Peron's position. After their resignations, Peron expelled them from his party.

This first open breach in Peronist ranks brought a rash of violent incidents over the weekend that appear to be the work of opposing Peronist factions. Although the leftists' sagging enthusiasm for Peron will probably not lead to extensive bolting from his party, increased attacks on the left by right-wing extremists and security forces might drive Peronist guerrilla organizations into the Marxist terrorists' camp. Some of these groups cooperated in opposing the military government while Peron was in exile.

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